

Function 150: International Affairs

The International Affairs function covers a wide range of programs and activities, including operation of U.S. embassies and consulates throughout the world, military assistance to allies, aid to developing nations, economic assistance to fledgling democracies, promotion of U.S. exports abroad, U.S. payments to international organizations, and peacekeeping efforts. This function has represented about one percent of all federal outlays since 1992.

- ***Comparisons with House and Senate Resolutions*** — The conference agreement on the Republican budget resolution provides \$20.0 billion for international affairs appropriations for 2001. This level is \$300 million more than the House resolution, but \$400 million less than the Senate resolution. The conference agreement assumes no policy changes that will affect mandatory spending or offsetting receipts within the international affairs function.
- ***Unrealistic Funding Levels*** — This level of funding for 2001 is a \$2.7 billion (12 percent) cut in purchasing power below the 2000 funding level. By 2005, the level in the conference agreement represents a 17 percent cut in purchasing power. As discussed in *Appropriated Programs*, the Republican plan disproportionately cuts funding for international affairs appropriations (without specifying programs to be cut) in an attempt to mask its unrealistic cuts to overall non-defense appropriations. Thus, the international affairs function is emblematic of the unwise and politically implausible assumptions upon which the conference agreement rests. For example, if the conference agreement is taken at face value, it could:
 - Cut resources needed to fund anti-narcotics efforts throughout the world, including anti-heroin efforts in Asia and anti-cocaine efforts in Latin America;
 - Slow down efforts to improve U.S. embassy security, a widely-recognized priority since the devastating terrorist attacks against U.S. embassies in Kenya and Tanzania in August 1998;
 - Further reduce U.S. humanitarian and economic development assistance, despite the fact that the U.S. already ranks 21st in the world in terms of foreign aid as a percent of gross national product (GNP);¹⁰
 - Reduce modest but critical assistance to countries struggling to become free-market democracies in Eastern Europe and the former Soviet Union;

¹⁰Data is from the Organization for Economic Cooperation and Development's 1999 Development Cooperation Report, February, 2000. The OECD measurement is based on its definition of "official development assistance," consisting of grants or concessional loans to developing countries to promote economic development. Military assistance is not considered official development assistance. U.S. economic assistance to Israel is excluded because Israel is not considered a developing country by the OECD. The U.S. level is one-tenth of one percent of GNP, which is a quarter of the average percentage among developed countries. Countries that provide more foreign aid as a percent of GNP than the U.S. include Japan, Australia, France, Ireland, Italy, Luxembourg, New Zealand, Portugal, and Spain. In total amount of foreign aid, the U.S. ranks second, \$1.9 billion behind Japan.

- Call into question current U.S. assistance to the Middle East, which is vital to maintaining stability in a region critical to U.S. economic and national security interests, as well as raise doubts about whether the U.S. will provide the resources necessary to facilitate future peace agreements between Israel, the Palestinian authority, and Syria; and
 - Cut staffing at embassies and consulates throughout the world, or shut some down completely, hurting the interests of American businesses and tourists.
- ***Excluding One-Time Costs*** — Some Republicans may claim that this function can be cut below 2000 levels because the 2000 level includes one-time costs for the Wye River Middle East Peace Agreement and repayment of U.S. back dues (arrears) to the United Nations. This reasoning is flawed. First, even excluding the Wye River and U.N. arrears funding, the Republican plan cuts the purchasing power for U.S. international programs by \$477 million (2.3 percent) for 2001 and by \$1.8 billion (8.2 percent) for 2005. Second, 2000 funding levels for other priorities that enjoy strong bipartisan support, such as more aggressive efforts to curb narcotics trafficking and increasing security at U.S. embassies, are considered inadequate by many Members on both sides of the aisle. Any increased funding Congress provides for 2001 for these priorities offsets the “savings” of excluding 2000 one-time costs.

In short, any argument over the merits of including Wye River and U.N. arrears in a comparison of funding cannot change the bottom line: the conference agreement sharply cuts funding for U.S. international and diplomatic programs.

- ***Undercutting U.S. Foreign Policy*** — The Chairman of the House International Relations Committee, Rep. Ben Gilman, wrote Chairman Kasich prior to mark-up of the Republican plan requesting the same level of funding for 2001 as the President requested (which was slightly more than what is needed to maintain constant purchasing power). Chairman Gilman thought this level would be appropriate because:

“Most of the programs under our jurisdiction are uniquely the responsibility of the federal government and are strongly related to protecting the national security.”

The conference agreement instead cuts the President’s request by 12.3 percent, raising serious questions about the ability to promote U.S. national security through diplomacy. The Republican plan is simply unrealistic in the funding it provides for international programs.